

**PRESCRIPTION DRUG PROPOSALS:
MEDICARE BENEFICIARIES PAY MORE THAN TWICE AS
MUCH UNDER REPUBLICAN PLANS**

The average Medicare beneficiary will need about \$3,400 worth of prescription drugs in the first year of a new Medicare prescription drug benefit.

How much would a senior have to pay to get \$3,400 worth of drugs under various proposals?

	<u>HOUSE DEMOCRATS</u>	<u>PRESIDENT BUSH¹</u>	<u>HOUSE REPUBLICANS²</u>
PREMIUM	<u>\$300</u>	<u>\$408³</u>	<u>\$408³</u>
DEDUCTIBLE	<u>\$100</u>	<u>\$275</u>	<u>\$250</u>
COINSURANCE	<u>\$660</u>	<u>\$1,388</u> for first \$3,050 in drugs <u>\$350</u> for remainder of drugs	<u>\$150</u> for first \$1,000 in drugs <u>\$500</u> for next \$1,000 in drugs <u>\$1,400</u> for remainder of drugs
<u>TOTAL: BENEFICIARY SPENDS</u>	<u>\$1,060</u> (31%)	<u>\$2,421</u> (71%)	<u>\$2,708</u> (80%)
<u>TOTAL: BENEFICIARY SAVES</u>	<u>\$2,340</u> (69%)	<u>\$979</u> (29%)	<u>\$692</u> (20%)

¹ Based on press accounts of President's proposed drug benefit for those who leave the traditional Medicare program and join private plans. About 35 million beneficiaries are currently in the traditional Medicare program. The President's proposal would offer these beneficiaries much less assistance, if any.

² Based on Johnson-Bilirakis legislation from 107th Congress (HR 4954).

³ The premium is not specified. This figure is based on prior CBO estimates of the average premium under the House Republican proposal.